

Hearing Date and Time: October 9, 2019 at 10:00 am (Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE:

SEARS HOLDINGS CORPORATION, *et al.*,¹

Debtors.

CHAPTER 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**RESPONSE OF A.O. SMITH CORPORATION TO DEBTORS' FIRST
OMNIBUS OBJECTION TO CLAIMS**

A.O. Smith Corporation and its affiliates ("AO Smith") by its counsel, hereby responds to the *Debtors' First Omnibus Objection to Proofs of Claim (Satisfied Claims)* [D.I. 4775] (the "First Omnibus Objection"). In support of this Response, AO Smith states as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

1. AO Smith provided water heater and water heater parts to certain of the above-referenced debtors (the “Debtors”) at various locations, pursuant to now expired contracts as well as purchase orders between AO Smith and the Debtors.

2. AO Smith timely filed one proof of claim against the Debtors (the “AO Smith Claim”), Proof of Claim Number 12509 on March 29, 2019.

3. In the First Omnibus Objection, the Debtors ask the Court to disallow all of the AO Smith Claim on the basis that “The Claim was satisfied and/or released, as associated contract was assumed and assigned to Transform Holdco LLC.” *See* First Omnibus Objection at Ex. A, Page 5 of 52, line 2.

4. AO Smith objects to the relief requested in the First Omnibus Objection because:

- a. None of the AO Smith Claim has been satisfied or released;
- b. There was no executory contract in existence at filing so there was no contract to be assumed.
- c. Therefore, the objection is meritless, bordering on frivolous.

RESERVATION OF RIGHTS

5. AO Smith reserves the right to assert other, supplemental, or additional claims against the Debtors, including, but not limited to, post-petition administrative claims, or any other claims that may arise or that AO Smith may be entitled to assert under the Bankruptcy Code, whether or not such claims are associated with the AO Smith Claim described in this Response.

REQUEST FOR RELIEF

6. Accordingly, AO Smith requests that the Court deny the Debtors' First Omnibus Objection as to the AO Smith Claims.

WHEREFORE, AO Smith requests that the Court enter an order:

- A. Denying the final relief requested in the First Omnibus Objection as to the AO Smith Claim;
- B. Allowing the AO Smith Claim as filed; and
- C. Providing such other and further relief as the Court deems just and appropriate.

Dated: August 27, 2019.

GODFREY & KAHN, S.C.

By: /s/ Timothy F. Nixon

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CERTIFICATE OF SERVICE

A true and correct copy of the above and forgoing document was served on the all parties receiving notice ECF electronic service and by First Class U.S. Mail on the 27th day of August 2019 on the following:

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